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## **News Release**

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### **Fort Ripley woman sentenced for not paying federal employment taxes**

A 50-year-old Fort Ripley woman was sentenced today in federal court for not paying federal employment taxes on the wages of employees of her adult foster care business.

On Aug. 20 in Minneapolis, United States District Court Judge James Rosenbaum sentenced Joni Rae Gangestad to 18 months in prison and three years of supervised release on one count of failure to account for and pay over federal employment taxes. Gangestad was charged on March 4 and pleaded guilty on March 31.

According to Gangestad's plea agreement, she admitted that from 2003 through 2006, she failed to pay over federal employment taxes for the employees of JB Waivered Services. Gangestad owned JB Waivered, located in Fort Ripley, and was responsible for the company's overall administration, including paying invoices and making bank deposits.

Gangestad also had a duty to collect, truthfully account for, and pay federal employment taxes, including income and Federal Insurance Collection Act (FICA) taxes on employee wages. In addition, Gangestad was the person responsible for filing JB Waivered's employment tax returns, but she admitted she stopped filing returns after the second quarter of 2003.

According to bank records, from 2003 through 2006, Gangestad had sufficient funds to pay the federal employment taxes owed by JB Waivered. The total amount of federal employment taxes that Gangestad failed to pay is \$486,193.

This case was the result of an investigation by the Internal Revenue Service-Criminal Investigation Division. It was prosecuted by Assistant U.S. Attorney Nicole A. Engisch.